AGENDA

- Welcome + Introductions
  - Why a Strategic Plan and Why Now?
- Process and Timeline
  - Informed by Input from Diverse Stakeholders
  - Grounded by Market and Financial Reality
  - A Roadmap for the next decade and beyond
- Context
  - HABC Today
  - National and Regional Trends
- Questions
- Today’s Workshop
No existing strategic plan

Separation of HABC and HCD in 2017

Being developed under HABC’s 4 Core Principles

Plan will serve as the blueprint for HABC activities in the future

WHY A STRATEGIC PLAN AND WHY NOW?
HABC MISSION

To create and provide quality affordable housing opportunities in sustainable neighborhoods for the people we serve.
HABC MISSION

To create diverse and vibrant communities; to provide opportunities for self-sufficiency; and to build pathways for strong partnerships.
COMMUNICATION - Create clear and consistent communication.

COMMUNITY - Improve the housing and quality of life for the people we serve.

CUSTOMER SERVICE - Increase efficiency, responsiveness, and accountability in the services we provide to our internal and external clients.

COLLABORATION - Build upon our commitment to strong partnerships with residents, employees, government, nonprofit and business communities.
WHAT TO EXPECT TODAY?

Learning – learn more about HABC and its programs, as well as the challenges it faces

Engaging – visit various information stations and participate in activities designed to get feedback on different HABC initiatives

Sharing – provide your thoughts on the current perception of HABC and how they can enhance or improve their role in your community
Phase 1: Current State Assessment – review and analyze HABC in context of local, federal and state affordable housing landscape
   – Finances
   – Operations
   – Capital Assets
   – Programs and Services
   – Partnerships
   – Need
   – Challenges and Opportunities

Phase 2: Public Engagement – work with internal/external stakeholders to identify strengths and weaknesses, and gather feedback on challenges and opportunities
   – Advisory group
   – E-surveys
   – Focus groups
   – Community workshops
   – Interviews

Phase 3: Technical Discussions – Ground work in market and financing reality
   – Where does HABC want to be?
   – What tools are available to HABC today?
   – What are the contextual issues that may likely impact HABC’s success?

Phase 4: Draft Plan – translate the results and outcomes into an actionable plan
   – Draft/Refine strategic goals and objectives
   – Identify priorities, action items and time frames for each strategic goal
   – Communicate the proposed plan
831 Acres Across the City

725 Personnel

HABC ASSETS/RESOURCES
HABC owns 7,770 conventional public housing units
Of this, 1,095 are scattered sites
HABC is an Asset Manager of 3,362 units (146 are Scattered Site)

– NOTE: ASSET MANAGER - HABC does not directly own or manage the unit but HABC monitors performance and compliance.
SCATTERED SITES
Currently, HABC has converted or is in the process of converting some of its public housing inventory through the Rental Assistance Demonstration Program

- Public Housing Units Converted: 2,701
- Public Housing Pending Conversion: 790
HOUSEHOLDS SERVED

19,814 (as of 4/16/18)

69% = Housing Choice Vouchers
31% = Public Housing (HABC-Owned)

Public Housing Program
• 54% Disabled
• 17% Elderly
• Average Household Income - $8,800
• Average Family Size – 3
• 97% African American

Housing Choice Voucher Program
• 68% Disabled
• 59% Elderly
• Average Household Income - $12,559
• Average Family Size – 2
• 95% African American
Tenant Based – 24,282 (as of 5/30/18)
  54.7% = Family  14.9% = Non-Elderly Disabled
  25.8% = Other  4.7% = Senior

Project Based HCV – 8,797 (as of 5/30/18)

Public Housing – 24,174
  62% = 1BR  23% = 2BR
  13% = 3BR  2% = 4BR

Applied for Both HCV and PH – 4,850

DEMAND – WAIT LISTS
Self-Sufficiency programs
– Family Self-Sufficiency
– People Accessing Continued Employment (PACE)
– Ticket to Work Program
– Jobs Plus
– My Goals for Employment Success

Supportive Services to Families
– Service Coordination
– Child Care Program
– Our House Early Head Start Program
– Pre & Post Occupancy Program (POP)
– Youth Programs
  • Boys and Girls Club
  • Youth Leadership Club
CAPITAL NEED
HUD Funds
Received/Obligated/Expended - $161.2M

Average Annual HUD Allocation - $14.4M
The extent of capital needs varies with the highest demand in the scattered sites and large conventional public housing developments.

- Large Conventional Sites: $332.3M, $64.5K/unit (>250 units)
- Scattered Sites: $115.1M, $109.4K/unit
- Medium Sized Sites: $14.3M, $32.1K/unit (100-250 units)
- Small Sized Sites: $13.6M, $65.3K/unit (<100 units)
**CAPITAL NEEDS: 2017 – 2023**

Capital needs exceed funding potential by **more than FIVE TIMES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seven Year Capital Needs ($816M over the next 20 years)</td>
<td>$495.5M</td>
</tr>
<tr>
<td>HUD Capital Funding Expected</td>
<td>$ 79.9M</td>
</tr>
<tr>
<td>Leveraged Funding Expected</td>
<td>$ 11.5M</td>
</tr>
<tr>
<td>Total Funding Anticipated</td>
<td>$ 91.4M</td>
</tr>
</tbody>
</table>

**Shortfall - $404.9M (over 7 years)**
The scattered sites units have the largest proportion of needs

<table>
<thead>
<tr>
<th></th>
<th>% Total Units</th>
<th>% Cap Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Sites (&gt;250 units)</td>
<td>73%</td>
<td>67%</td>
</tr>
<tr>
<td><strong>Scattered Sites</strong></td>
<td>15%</td>
<td>23%</td>
</tr>
<tr>
<td>Medium Sized Sites (100-250 units)</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Small Sized Sites (&lt; 100 units)</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>
### LARGE CONVENTIONAL SITES

**>250 UNITS**

Capital Needs 2017-2023

<table>
<thead>
<tr>
<th>Development</th>
<th>Units</th>
<th>Capital Needs</th>
<th>Cost per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brooklyn Homes</td>
<td>486</td>
<td>$16,640,802</td>
<td>$34,240.33</td>
</tr>
<tr>
<td>Cherry Hill Homes</td>
<td>1,281</td>
<td>$52,914,550</td>
<td>$41,307.22</td>
</tr>
<tr>
<td>Douglass Homes</td>
<td>387</td>
<td>$27,227,174</td>
<td>$70,354.45</td>
</tr>
<tr>
<td>Gilmor Homes</td>
<td>548</td>
<td>$53,376,071</td>
<td>$97,401.59</td>
</tr>
<tr>
<td>Latrobe Homes</td>
<td>672</td>
<td>$19,210,058</td>
<td>$28,586.40</td>
</tr>
<tr>
<td>McCulloh Homes</td>
<td>556</td>
<td>$59,172,165</td>
<td>$106,424.76</td>
</tr>
<tr>
<td>O'Donnell Homes</td>
<td>304</td>
<td>$30,613,872</td>
<td>$100,703.53</td>
</tr>
<tr>
<td>Perkins Homes</td>
<td>629</td>
<td>$59,317,587</td>
<td>$94,304.59</td>
</tr>
<tr>
<td>Poe Homes</td>
<td>288</td>
<td>$13,868,400</td>
<td>$48,154.17</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>5,151</strong></td>
<td><strong>$332,340,679</strong></td>
<td><strong>$64,519.64</strong></td>
</tr>
</tbody>
</table>

22
Capital Investment Strategies

– Selective Demolition/ Site Reconfiguration
  • Gilmor Homes

– Hold and Sustain for Resolution of Neighborhood Revitalization
  • McCullough Homes
  • Poe Homes

– Future Major Reconfiguration and De-Densification
  • Brooklyn Homes

LARGE CONVENTIONAL SITES  >250 UNITS
Capital Investment Strategies (continued)

– Redevelopment Potential
  • Perkins Homes (CNI)
  • Latrobe Homes (Future CNI)
  • O’Donnell Heights (Phased Development)

– Maintain & Manage with Normal Replacement and Capital Improvements
  • Cherry Hill Homes
  • Douglass Homes

LARGE CONVENTIONAL SITES  >250 UNITS
MEDIUM SIZED SITES

100-250 UNITS

Capital Needs 2017-2023

<table>
<thead>
<tr>
<th>Development</th>
<th>Units</th>
<th>Capital Needs</th>
<th>Cost per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mount Winans</td>
<td>140</td>
<td>$3,515,873</td>
<td>$25,113.38</td>
</tr>
<tr>
<td>Rosemont</td>
<td>106</td>
<td>$4,924,117</td>
<td>$46,453.93</td>
</tr>
<tr>
<td>Westport Homes</td>
<td>200</td>
<td>$5,874,806</td>
<td>$29,374.03</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>446</strong></td>
<td><strong>$14,314,796</strong></td>
<td><strong>$32,095.96</strong></td>
</tr>
</tbody>
</table>
MEDIUM SIZED SITES  100-250 UNITS

- Capital Investment Strategies
  - Maintain and Manage with Minor Site and Building Reconfigurations
    • Mount Winans
    • Westport
    • Rosemont
  - Potential for Future RAD Conversion
    • Rosemont
## SMALL SIZED SITES

<100 UNITS

Capital Needs 2017-2023

<table>
<thead>
<tr>
<th>Development</th>
<th>Units</th>
<th>Capital Needs</th>
<th>Cost per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albert Spencer Gardens</td>
<td>20</td>
<td>$473,076</td>
<td>$23,653.80</td>
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<tr>
<td>Dukeland</td>
<td>30</td>
<td>$1,861,849</td>
<td>$62,061.63</td>
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<tr>
<td>Oswego Mall</td>
<td>35</td>
<td>$1,596,887</td>
<td>$45,625.34</td>
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<tr>
<td>Shipley Homes</td>
<td>21</td>
<td>$654,722</td>
<td>$31,177.24</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>106</strong></td>
<td><strong>$4,586,534</strong></td>
<td><strong>$43,269.19</strong></td>
</tr>
</tbody>
</table>
Capital Investment Strategies

- Maintain/Manage with Minor Site/Building Reconfigurations
  • Dukeland

- Maintain/Manage with Normal Replacement and Capital Improvements
  • Albert Spencer Gardens
  • Oswego Mall
  • Shipley Hills

- Potential RAD Conversion Candidates
  • All of the Above

SMALL SIZED SITES <100 UNITS
## Conventional Scattered Site Properties

<table>
<thead>
<tr>
<th>Development</th>
<th>Units</th>
<th>Capital Needs</th>
<th>Cost per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMP 200</td>
<td>212</td>
<td>$16,573,679</td>
<td>$78,177.73</td>
</tr>
<tr>
<td>AMP201</td>
<td>197</td>
<td>$26,345,924</td>
<td>$133,735.65</td>
</tr>
<tr>
<td>AMP202</td>
<td>193</td>
<td>$32,635,451</td>
<td>$169,095.60</td>
</tr>
<tr>
<td>AMP203</td>
<td>336</td>
<td>$41,534,901</td>
<td>$123,615.78</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>938</strong></td>
<td><strong>$117,089,955</strong></td>
<td><strong>$124,829.38</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Development</th>
<th>Units</th>
<th>Capital Needs</th>
<th>Cost per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midtown</td>
<td>35</td>
<td>$1,671,756</td>
<td>$47,764.46</td>
</tr>
<tr>
<td>Uptown</td>
<td>37</td>
<td>$1,630,217</td>
<td>$44,059.92</td>
</tr>
<tr>
<td>Stricker St.</td>
<td>25</td>
<td>$1,490,493</td>
<td>$59,619.72</td>
</tr>
<tr>
<td>Thompson 22</td>
<td>22</td>
<td>$439,607</td>
<td>$19,982.14</td>
</tr>
<tr>
<td>Albemarle Square</td>
<td>4</td>
<td>$176,601</td>
<td>$44,150.25</td>
</tr>
<tr>
<td>Bailey UFAS</td>
<td>34</td>
<td>$351,533</td>
<td>$10,339.21</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>157</strong></td>
<td><strong>$5,760,207</strong></td>
<td><strong>$36,689.22</strong></td>
</tr>
</tbody>
</table>
Capital Investment Strategies

- Invest Only in Units Located in Stable, Improving and Targeted (SIT) Neighborhoods
  - Based on crime, safety, surrounding conditions, community investment

- Invest only if rehabilitation costs are reasonable
  - Range of $75k - $150k / Unit

- For Occupied and Recently Rehabbed Units
  - Retain, Maintain and Manage as Public Housing regardless of Location
SCATTERED SITES

Capital Investment Strategies

– For Occupied and Non-Rehabbed Units
  • In SIT Neighborhoods – Retain and Rehab on Turnover (Subject to Fund Availability)
  • In Distressed Neighborhoods – Dispose

– For Vacant Units
  • In SIT Neighborhoods – Retain and Rehab Subject to Cost Reasonableness and Funding Availability
  • In Distressed Neighborhoods – Dispose
BUDGET
FY 2018 BUDGET

Revenue (in millions)

- Tenant Revenue: $311,86%
- HUD Subsidy: $24,7%
- Other Revenue: $25,7%

Expenses (in millions)

- Operating: $42,11%
- HAP: $9,3%
- Capital Purchased: $17,31%
- Gap: $208,55%
NATIONAL AND REGIONAL TRENDS
Operating Fund Decreasing*
Capital Fund Decreasing*
Section 8 (TBV, PBV, PBRA) Mostly level
# of Public Housing units Decreasing
Historically, Appointments are not enough to fund 100% of Operating Fund requests.

On average, a PHA receives 85% - 95% of its requested Operating Funds.

2018 was an anomaly – PHAs received an increase in spite of the Administration’s proposed budget.
Capital funding has declined 53% since 2000 by nearly a billion dollars, to just $1.9 billion in 2016.

HUD estimates the projected annual accrual of needs is at least $3.4 billion per year on average over the next 20 years.

As a result, the backlog of needed repairs, estimated in 2010 to be some $26 billion, continues to grow.
Traditionally, Congress has provided adequate housing voucher renewal funding (HAP or rent subsidy costs)

Is not true of Administrative fees (funds PHAs receive to administer the HCV program), which have seen a steady decrease

However, rent costs in most jurisdictions have risen and the funding levels now support fewer voucher users

HUD estimates 300,000 units of public housing have been lost between 1990 and 2010, mainly due to lack of investment in repairs

Underfunding of capital repairs results in approximately 10,000-12,000 units lost every year

HUD has been actively pursuing demolition/disposition activities as a “management strategy” and PHAs are demolishing with HUD approval

**SECTION 8 (TBRA, PBRA, PBV) = SAME**

**PUBLIC HOUSING UNITS = DECREASING**
2018 BUDGET - WHITE HOUSE VS CONGRESS

WHITE HOUSE

- FY2018 Budget proposed $6.8225 billion in funding cuts for affordable housing programs
  - Operating funds - cut by 11.3%
  - Capital funding – cut by 68%
  - HCV – cut by 11.6% (estimated 256,900 fewer vouchers nationwide)
  - Tenant rent share - increased from 30% to 35%

CONGRESS

- FY2018 budget ignored the WH budget
- March 22, 2018, Congress and the President signed the FY2018 Omnibus Bill; resulted in an overall 24% increase
  - Operating funds – up 3.5% for 2 yrs
  - Capital funding - up 41.6%:
    - HCV – up 8.5%
    - RAD - up 102% (in units; no additional funding)
  - Choice Neighborhoods - up 9.1%
## 2019 BUDGET - WHITE HOUSE VS CONGRESS

### WHITE HOUSE

- Proposed FY2019 Proposed budget is more drastic than the proposed 2018 budget.
  - Operating funds - cut by 37% from $4.5B to $2.8B
  - Capital funding - eliminated ($1.9B)
  - RAD - removes cap and provides $100m in support
  - Choice Neighborhoods, CDBG, HOME and SHOP - eliminated
  - Homeless funding – increased by $133m

### CONGRESS

- The House Proposed FY2019 ignores the WH budget proposal again, proposing 24% increase (still must pass Senate)
  - Operating funds – funded at 2018 levels
  - Capital funds – funded at 2018 levels
  - $30m in competitive demolition grants
  - HCV (HAP) – increased funding
  - HCV (Administrative fees) - level funded
  - Choice Neighborhoods - level funded
YOUR ASSIGNMENT TODAY
STATION ACTIVITIES

Station 1:
HABC Background
- Learn more about HABC and give us feedback on the new HABC Mission, Vision, and Four Core Principles

Station 2:
SWOT
- Provide your thoughts on HABC’s Strengths, Weaknesses, Opportunities, and Threats

Station 3:
Conventional Public Housing
- Learn about HABC’s current conventional public housing assets and provide opinions on various redevelopment strategies
STATION ACTIVITIES

Station 4: RAD
• Learn about the Rental Assistance Demonstration program and other programs and provide your opinions

Station 5: Scattered Sites
• Learn about See where HABC’s scattered sites are located and comment on various redevelopment strategies

Station 6: Housing Choice Voucher Program
• Learn about payment standards and offer thoughts on rent structure strategies
<table>
<thead>
<tr>
<th>Station 7: Supportive Services</th>
<th>• Learn about HABC’s Resident Programs and provide observations on where HABC should prioritize its limited resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Station 8: Survey Table</td>
<td>• Complete HABC’s Community E-Survey</td>
</tr>
<tr>
<td>Station 9: Parking Lot</td>
<td>• A “Parking Lot” to note ideas, thoughts, comments, and suggestions beyond current stations</td>
</tr>
</tbody>
</table>
Reference Documents

1. HABC 1/31/18 Board Report; HABC MTW/Annual Plan + Reports; HABC Departmental Documents
4. https://www.cbpp.org/research/housing/chart-book-cuts-in-federal-assistance-have-exacerbated-families-struggles-to-afford#section02-
QUESTIONS?

Need More Information?

http://habc.baltimorehousing.org/habc_strategic_plan
Take the Survey!

https://www.surveymonkey.com/r/HABC